

CHAPTER 7 LIQUIDATION ANALYSIS

*In Re: Adir M. Corp.
Chapter 11 Case No. 09-15062 (MG)*

	<u>Estimated Book Value (As of September 30, 2011)</u>	<u>Estimated Liquidation Value</u>
I. ASSETS		
Cash in Bank	\$45,296	\$45,296
Security Deposit	\$13,614	\$13,614 ¹
Loan Receivable	\$390,795	\$0 ²
Furniture & Equipment	\$169,917	\$25,000 ³
Food & Beverage Inventory	\$10,000	\$2,000
Goodwill	\$180,000 ⁴	\$137,000
Other Assets	\$1,098	\$0
Total Available for Creditors:		\$222,910
II. LIABILITIES		<u>Amount</u>
Statutory Fees (United States Trustee)		\$4,875
Estimated Chapter 7 Wind-Down Administrative Expenses and Professional Fees		\$35,000
Estimated Chapter 7 Trustee Commissions		\$14,400
Chapter 11 administrative professional fees and expenses		\$91,000 ⁵
Priority Tax Claims		\$66,850
Secured Claim of Sovereign Bank		\$112,237 ⁶
Secured Claim of Avi Galapo		\$141,000
Total Estimated Liabilities		
(Other than General Unsecured Claims):		\$465,362
Total Available for General Unsecured Creditors:		\$0
Total General Unsecured Claims:		\$907,650
Projected Distribution to General Unsecured Claimants in Chapter 7:		0%

¹ Liquidation value of security deposit assumes that Debtor remains current on lease obligations.

² The loan receivable is owed by a party related to the Debtor who has itself filed a bankruptcy petition.

³ Liquidation value of furniture and equipment, most of which is approximately 8 years old, is estimated based upon, among other things, the costs of removing same from premises and the estimated re-sale value thereof.

⁴ Book value of goodwill represents “key money” paid by the Debtor for the purchase of its commercial lease and certain business assets. The lease is pledged as security for the amounts owed by the Debtor to Avi Galapo.

⁵ Assumes that all of the Debtor’s professionals, including Meister Seelig & Fein LLP, accept the voluntary reductions and payouts provided for in the Plan.

⁶ Sovereign Bank holds a first priority lien against all assets of the Debtor.